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Hertz .NEWS

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For Immediate Release: Monday, October 1, 1979 Contact: Leigh Smith (212) 980-2353

POLL SHOWS 3 OUT OF 4 USED CARS BOUGHT ARE 'FIRST CARS' FOR FAMILY

Nearly three out of four buyers of second-hand autos in the United States purchase these cars as their family's first or primary vehicle and almost one used car buyer in four has never owned a new model, according to a nationwide poll issued today by The Hertz Corporation.

"Our research shows that cost is the central consideration in buying a used car, an apparent result of the continued inflationary spiral," said William Welty, Vice President of Used Car Operations for Hertz, which believes the new survey is the first of its kind ever conducted.

Hertz, which retails used cars from its rental and lease fleets, said the survey was done by an independent organization and covered a cross section of buyers nationally who made their purchases from a variety of sources.

The poll found the typical used car purchased in this country is a recent-model, one-owner, standard-sized sedan, loaded with options and driven less than 30,000 miles.

The typical used car buyer is younger than the new car purchaser, earns significantly less and picked a used unit because it was substantially cheaper than a similarly equipped new one, the Hertz poll indicated. Although the survey was taken in early 1979 before the full impact of the recent energy situation sent fuel prices to their latest highs, some 65 per cent of those questioned said they had bought the used vehicle rather than a new one because of its lower cost.

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Among the results of the Hertz used car buyer poll:

- The used car was the first car for more than 71 per cent of the families questioned, including those with cars they had previously bought new;
- The average car age was 2.86 years old and had an average of 29,030 miles on its odometer when purchased;
- The used car buyer's family has two cars and has bought five models in the past decade -- three used, two new;
- Only 14 per cent of used car buyers are women, versus 24 per cent females among new car buyers;
- Some 15 per cent of the used car buyers who had previously purchased vehicles said they were on the second-hand auto market for the first time.

Some 42 per cent reported they had bought their used cars from a franchised new car dealer, another 18 per cent purchased theirs from a used-car-only outlet, 11 per cent made the purchase from a friend or relative and 27 per cent acquired the vehicle in a private sale from a stranger.

Other poll results showed:

- Only 34 per cent of used car buyers said they traded a car when they bought their second-hand vehicle, but more than 80 per cent of new car buyers said a trade was involved in their purchases;
- Family income of used car buyers was less than $20,000 a year, while that of new car families was projected to be close to $30,000;
- Used car buyers keep their vehicles for about three years, against more than five years for new car buyers;
- The average age of used car buyers is about 36, while that of the new car purchaser is nearly 45.

Future cost-cutting measures used car purchasers contemplate include keeping their cars longer and buying smaller cars. The used car buyer today picks about the same size and type of vehicle as does a new car purchaser, however.

While the average age of all cars on the road is 6 1/4 years, the average age of used cars purchased is just 2.86 years, with some 29 per cent being one year old or less, 34 per cent being two years old and 37 per cent three years of age and older.

Nearly half of the cars bought used had written warranties and 60 per cent of the units were financed. This loan ratio is almost the same as the 61 per cent ratio for those purchasing new cars.

Virtually all used cars are bought either solely for personal use or for a combination of business and pleasure driving. Only 4 per cent are bought primarily for business travel, while 10 per cent of new cars purchased by individuals are for business driving.

Some 50 per cent of used car buyers have two cars in the family, 24 per cent have three or more and only 26 per cent have just one. By contrast, some 31 per cent of new car buyers had just one car in the family, only 45 per cent had two and just 22 per cent boasted of three or more vehicles.

Optional equipment on the used cars purchased included 81 per cent with automatic transmissions, 76 per cent with power steering, 71 per cent with power brakes and 64 per cent with air conditioning. Only about 8 per cent of the used cars purchased were imports, against a market share of about 18 per cent for new imports last year.

This is the second major study of the used car markets done by Hertz, which is retailing an increasing number of its lease and rental cars and trucks as they are retired from its vehicle fleets.

The first survey, issued last year, was a 10-year analysis of used car sales data. It showed that almost three out of every four domestic cars purchased for personal transportation were used, rather than new, units and that used cars cost about one-third less to buy and run than new ones.

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"The two surveys -- the first a statistical analysis, and this poll by mail -- indicate that the recent-model used automobile rather than a new one is the mainstay of personal family transportation in this country," Mr. Welty said.

Hertz said prices paid for the used cars by those polled ranged from $6,296 for cars under one year old to just $1,019 for cars seven years and older, with the average being $3,602. The company said its poll showed cars bought from new car dealers cost $4,196 and these autos had an average of 21,200 miles registered on their odometers when purchased. Cars bought from used car dealers cost $3,678 and had run 31,820 miles. Private sales -- from friends, relatives and strangers -- averaged just $2,871, with these cars registering an average of 36,870 miles.

More than three out of every four used car buyers -- some 76 per cent -- say they are happy with the car they picked and only 12 per cent would not buy a used car again. Among new car buyers about four out of five -- 83 per cent -- said they were happy with their vehicles.

Major car preference and use differences were found between men and women who bought used cars. The average age of cars purchased by men was about three years old but less than 2 1/2 years old for women. Men kept the cars 3 1/2 years, against only 2 1/2 for women. Women drove their cars about 1,000 miles a year less than men.

The average age listed by men used car buyers was 37.7 years old, and by women, 29.7 years old.

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HERTZ USED CAR SURVEY DATA

INFORMATION ABOUT USED CAR BUYERS	Comparative New (or All) Car Data (from various published sources)
1. Ages: Average is 36.4 years old	Average age is 44.6 years
21% -- 18 - 25 years old	10%
33% -- 26 - 35 years old	23%
20% -- 36 - 45 years old	18%
15% -- 46 - 55 years old	22%
10% -- over 55 years old	28%
2. Sex: Male -- 86%; Female -- 14%	Male: 76%; Female: 24% all cars
3. Family Income: Average is $19,939	Average is $24,083 for New Car Buying Families
4% -- Under $7,501 a year	5%
5% -- $7,501 - $10,000 a year	4% (But the $24,083 was for 1976. The
11% -- $10,001 - $15,000 a year	17% 1979 equivalent would be $29,389.)
18% -- $15,001 - $20,000 a year	18%
24% -- $20,001 - $25,000 a year	19%
34% -- Over $25,000 a year	37%
4. Occupations:	
28% -- Professional/technical	18%
20% -- Laborer	17%
17% -- Manager, official, proprietor	21%
13% -- Craftsman/foreman	7%
5% -- Retired	
4% -- Unemployed	18%
3% -- Student	
10% -- Other	
5. For whom was car bought?	
69% -- Self	35% of used cars bought for females;
20% -- Spouse	43% of all drivers are women.
6% -- Male adult	
4% -- Female adult	
3% -- Male student	
3% -- Female student	
(Dual answers)	
6. Reasons for buying used, not new, car:	
65% -- Less expensive	Price was the primary reason for purchase
13% -- Already had new car	of a particular NEW car in 49% of cases.
11% -- Knew previous owner	
11% -- Other reasons	
7. Did you trade another car to buy this used car?	
34% -- Yes, traded; 66% -- No	81% of purchasers of new cars said they disposed of a used car (traded or sold) when new car was purchased.

8. Ever buy a new car?

77% -- Yes; 23% -- No
(Average number of new cars bought in the last 10 years is 1.81)

9. Ever buy a used car before?

85% -- Yes; 15% -- No
(Average number of used cars bought in the past 10 years is 3.34)

10. Number of used cars now in household:
Average: 2.07

Average number of cars in households of families owning cars: 2.00 cars

26% -- One
50% -- Two
15% -- Three
6% -- Four
2% -- Five or more

11. Satisfied with used car?

76% -- Yes; 12% -- No; 12% -- Neutral

INFORMATION ABOUT CARS PURCHASED

1. Make of used car purchased:	New Car Purchased (1978)
47% -- General Motors	48%
27% -- Ford	23%
13% -- Chrysler	10%
8% -- Import	18%
4% -- American Motors	1%

2. Size/type of car purchased:	
4% -- Luxury	7%
54% -- Standard/intermediate	52%
28% -- compact/subcompact	
4% -- sports	41%
8% -- Other	

3. Options on Used Cars:	Options on New Cars (1978)
99% -- Radio/heater	All (radios -- 82%)
81% -- Automatic transmission	93%
76% -- Power steering	93%
71% -- Power brakes	88%
64% -- Air conditioning	80%
63% -- Tinted glass	--
32% -- Rear defroster	38%

NOTE: 82% of men, but only 76% of women bought used cars with automatic transmission; 81% of men, but only 68% of women bought used cars with power steering, brakes.

4. From what source was used car bought?

42% -- Franchised new car dealer
18% -- Used-car only dealer
27% -- Private sale (stranger)
11% -- Friend or relative

5. Did car have written warranty?

All new cars have

47% -- Yes; 53% -- No

6. Was car financed?

60% -- Yes; 40% -- No

61% -- Yes; 39% -- No, cash

Percentage of price financed:

NOTE: Federal Reserve System figures for 1977 show 8,090,000 car loans made that year, which is 75% of total of 10,826,000 new cars sold that year. The 61% figure is from a Newsweek survey which showed 59% of domestic cars were financed, 72% of the import brands financed.

4% -- Under 10%
5% -- 10 - 29%
12% -- 30 - 49%
21% -- 50 - 69%
30% -- 70 - 89%
26% -- 90 - 100%
69% -- Average amount financed

7. Was the primary or first car in the family purchased new or used?

29% -- New; 71% -- Used

NOTE: Total represents both single-car and multi-car families.

8. Average price paid: $3,602

Estimated average 1979 new car purchase price: $6,238

9. Average age at purchase: 2.86 years

Average age of all cars on road: 6.23 years

10. Last used car kept: 3.23 years

Previous Hertz study showed new car first traded after 3.57 years of use.

11. New car kept: (by poll sample) 4 years

12. Average miles driven per year in used car: 11,396

9,165 miles for all cars; 12,082 miles for cars in first three years of life.

13. Use of used car:

Use of new car (bought by individuals):

4% -- Business travel
52% -- Personal travel
44% -- Business/personal combination

11%
Combination business and personal or all personal -- 89%

Source: Used Car Data Hertz 1979 Poll

New Car Data from various public published sources

AVERAGE PRICE AND MILEAGE OF USED CARS BY AGE OF CAR WHEN PURCHASED

	All Cars	Under 1 Year	1 Year Old	2 Years Old	3 Years Old	4 Years Old	5 Years Old	6 Years Old	7 Years & Older	Used Cars Purchased From New Car Dealer	Used Car Dealer	Private Dealer
Average Price Paid for Used Car	$ 3,602	$ 6,296	$ 5,034	$ 4,079	$ 2,930	$ 2,341	$ 1,842	$ 1,535	$ 1,019	$ 4,196	$ 3,678	$ 2,871
Average Mileage at Time Bought	29,020	9,860	13,220	20,000	30,270	42,270	51,610	58,550	66,250	21,200	31,820	36,870
Percent of Used Cars Purchased		3%	26%	34%	8%	7%	4%	5%	13%	42%	18%	11% (friends and relatives) 29% (other)

1979 Hertz Poll

HERTZ USED CAR STUDY SUMMARY COST AND MILEAGE DATA

	ALL USED CARS	AGE OF CAR WHEN PURCHASED		PRICE SEGMENT		MILES ON CAR BOUGHT		CAR FUNCTION		PURCHASE METHOD		WOULD BUY A USED CAR AGAIN?			
		Under 2 years	Over 5 years	Under $3000	Over $5000	Under 20M	Over 50M	Primary	Secondary	Finance	Cash	Yes	No	MEN	WOMEN
AV PRICE	$ 3,602	$ 5,174	$ 1,566	$ 1,519	$ 6,223	$ 4,916	$ 1,548	$ 4,095	$ 2,750	$ 4,079	$ 2,834	$ 3,647	$ 3,448	$ 3,626	$ 3,473
CAR AGE YRS (When Purch.)	2.86	0.9	6.61	5.61	1.0	1.13	6.35	2.08	4.21	1.96	4.28	2.80	3.10	2.94	2.47
Mileage Then	29,020	12,820	55,540	51,020	11,100	9,330	57,590	24,790	36,260	23,450	37,930	29,040	28,780	29,310	27,440
AV MPY U/C HAD BEEN DRVN	10,147	14,244	8,402	9,094	11,100	8,256	10,644	11,918	8,612	11,964	8,862	10,371	9,289	9,969	11,109
MPY EXPECTED NEXT YEAR	12,980	14,050	12,020	11,670	14,220	13,260	12,090	12,880	13,130	13,390	12,400	13,360	11,660	13,200	11,730
YRS PREV U/C KEPT	3.23	3.33	2.98	3.11	3.23	3.30	2.69	3.18	3.33	3.07	3.47	3.37	2.70	3.33	2.52
TOTAL MILES PREV U/C	36,810	38,350	34,720	36,460	37,660	38,090	31,050	36,310	37,620	36,430	37,620	37,570	33,750	38,120	26,290
MPY PREV U/C	11,396	11,516	11,651	11,723	11,659	11,542	11,543	11,418	11,297	11,866	10,841	11,489	12,500	11,447	10,432
YRS EXPECT TO KEEP THIS CAR	3.00	3.16	2.66	2.63	3.24	3.24	2.50	3.07	2.87	3.15	2.75	3.06	2.78	3.01	2.97
YRS PREV N/C WAS KEPT	3.99	4.05	3.75	3.63	3.70	4.02	3.56	4.06	3.59	3.65	4.07	4.09	3.51	4.11	3.44
MILES PREV N/C DRVN	48,490	48,570	48,750	46,230	46,540	49,940	47,520	48,380	48,180	46,540	50,910	49,650	44,260	50,380	38,460
AV MPY PREV N/C DRVN	12,153	11,992	13,000	12,736	12,578	12,423	13,348	11,916	13,421	12,750	11,389	12,139	12,610	12,258	11,180
AV AGE U/C BUYER	36.40	38.20	34.90	34.20	38.0	37.50	32.70	35.70	37.50	34.30	39.30	37.10	33.80	37..0	29.70
AV INCOME U/C BUYER	$19,939	$19,986	$20,511	$19,960	$21,197	$20,154	$19,589	$18,953	$21,162	$19,964	$19,816	$19,862	$20,295	$20,352	$17,739
MALE U/C BUYERS (%)	84%	85%	86%	84%	87%	84%	89%	82%	87%	83%	85%	84%	16%	100%	--
FEMALE U/C BUYERS (%)	16%	15%	14%	16%	13%	16%	11%	18%	13%	18%	15%	81%	19%	--	100%

Hertz NEWS

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'Entirely for Economy' . . .

AMERICAN DRIVERS BUY RECORD 18.5 MILLION USED CARS IN 1979

Americans bought a record 18,521,000 used cars in 1979, some 3.2% above the previous 1978 high, and paid $66.7 billion for them -- including the value of trade-ins -- more than ever before in history, The Hertz Corporation reported today.

The lease-rental company's new estimate of the size of the second-hand auto market puts the average 1979 used car price at $3,602 for units of all ages, a rise of just 5.2% in the 12-month period.

The study also found used cars were only half as expensive to buy and 40% less costly to run than comparable new models and noted that two out of every three cars sold in the U.S. last year -- old and new -- were second-hand.

"Our research indicates that three out of four American motorists buy used cars as their primary form of personal transportation almost entirely because of the relative economy of these vehicles," said William Welty, Hertz vice president for used vehicle operations.

The increase in the used car price average is about half the 11% model-for-model 1979 rise in new auto prices, and also is under the estimated 5.6% increase in the average purchase price for new cars that year.

"This data seems to indicate that motorists are not only buying smaller cars but are keeping them longer in an attempt to combat the almost-explosive increases in transportation costs," the Hertz official said.

More than 96% of all used cars purchased are for personal service, the study shows, but the company reported that in 1979 fleet buyers, too, began turning to recent-model used units.

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In the last six months of 1979, state and local governments particularly displayed interest in second-hand autos, according to Hertz. The company retails more than 50,000 used cars and trucks annually from its lease and rental fleets.

24¢ A Mile Versus 36.5¢

The typical used car purchased in 1979 was an intermediate-sized sedan just 2.86 years old, driven 29,090 miles, equipped with power options and air-conditioning. The typical buyer expected to keep this unit another three years and drive it another 30,000 miles in that time.

For such use, Hertz calculated, the second-hand unit cost less than 24¢ a mile, about one-third under the 36.5¢ paid by buyers of the average new 1979 model -- which was a slightly-smaller, mid-range unit -- for the same time and mileage.

Model-for-model, though, the lease-rental firm estimates, purchase prices for used units average two-thirds under those of new units and ownership and operating expenses typically are some 40% less.

Purchase prices even for low-mileage, year-old units are nearly one-fifth under new car outlays, with savings up to 90% for seven-year-old cars. Depending on use periods, ownership and operating expenses for these second-hand autos range from 10-50% under the outlays for new units for similar driving.

Depreciation Is Biggest Factor

The biggest savings on used units stem from their lower purchase prices and the fact that passenger car depreciation rates -- the difference between the car's sale price and its trade-in value -- are higher in early years, lower later on, the lease-rental firm's study shows.

Lower purchase price can also bring savings on interest charges and insurance premiums, the Hertz analysis points out, more than off-setting anticipated increases in fuel and upkeep expenses as the car ages.

As with new autos, the smaller the used unit and the longer it is kept, the lower the cost-per-mile usually becomes.

But in today's market, with small models commanding premium prices and drastic discounts available on big cars, standard-size used units can be less expensive than new mini-models, unless vehicles are kept for extended periods, the Hertz figures show.

At recent rates, every extra $1,000 spent to buy any car costs an additional $595 in more interest, insurance and taxes over a three-year period. So, at $5,000 for a year-old big model versus $6,000 for a new small one, even if gasoline sold for $2.00 a gallon, the little car would have to get 35 miles per gallon, against 17-18 mpg for the big one, for the driver to break even at 10,000 miles-a-year over a three-year period.

Used Car Market Expands

The Hertz study estimates that some 36% of the $66.7 billion spent for the 18.5 million used cars retailed last year was in the value of still older autos which more than one-third of the buyers traded when they bought a more recent model.

During the past decade, used car retail sales have ranged from 40% to 90% over the level of new car buying. In 1970, second-hand retail car sales totalled just 15.9 million. They climbed to 17.7 million by 1972, but dropped sharply in the following three years to 15.2 million in 1975 before resuming their climb to the 1979 peak.

Past estimates of used car sales have shown both higher unit totals and lower revenue figures, the company said. Some estimates count each registration change so that if an owner trades a vehicle to a dealer who in turn sells it to a second driver, two sales are counted. Other estimates include vehicles wholesaled and auctioned. Still other tabulations include only net payments, excluding the value of trade-ins.

Franchised new car dealers retailed about 42% of the used cars sold in 1979, the Hertz study estimated, but since these agencies sold newer, more expensive (average price $4,196) models their revenues were almost half the total pr $32.6 billion.

Private sales to strangers -- including direct fleet sales -- accounted for another 29%, at an average of $2,984 per unit. Used-car-only outlets, without a new car franchise, sold about 18% of the total ($3,781 a unit). Transactions between friends and relatives comprised the remaining 11% ($2,687).

Hertz said that fewer than 2% of all used cars were sold directly by major fleets to individuals, although this category is growing.

Total -- New & Used -- Sales Dip Slightly

As a result of the 1979 slump in new vehicle sales, the combined new and used car total dipped slightly from 28,895,000 in 1978 to 28,856,000 last year, according to the Hertz tabulation.

The study estimated that 55% of all new cars sold in '79 were for personal use, while some 96% of used cars sold entered private service. Hertz says its data indicates a typical domestic passenger car has an average of three owners during its lifetime, with a new car first traded after 3.57 years of use.

Personal cars bought new are kept just over four years, while cars entering non-personal use are traded after 2.4 years of driving. But the study noted that average mileage on both types of vehicles was between 50,000 and 55,000 at the time they are first sold.

The average age and mileage at time of sale is higher for all new cars than the average age at which used cars are purchased because some new cars are not traded at all.

Cars Last Longer, Cost Less

The lease-rental company's figures indicate that -- barring severe accidents or un-recovered car thefts -- 40-45% of all automobiles are still on the road after 10 years of operation.

Only in the 11th through 14th years of age does the number of cars scrapped rise substantially, so that by the 15th year only about 5% of the vehicles of any model year remain in service.

Illustrating the declining costs of older cars, Hertz pointed out that a 1979 intermediate-sized sedan requires 38¢ a mile to run 10,000 miles annually for three years.

But this same car, purchased used as a three-year-old vehicle and driven another 10,000 miles annually for another three years, would cost just 21.3¢ per-mile. If this car, then six-years-old, is traded again and driven yet another three years for an additional 10,000 annual miles, its cost would be just 18.6¢ a mile at 1979 price levels.

The study assumes constant-dollar expenses. Inflation would lower some cost elements -- such as depreciation -- and would raise others, the firm noted. But even depreciation is simply postponed by inflation, put off only until the purchase of another, similar vehicle at then-prevailing higher prices.

Hertz, which has more than 250,000 cars and trucks in its lease and rental fleets regularly monitors the costs to own and operate vehicles purchased new and those purchased used. In addition, the company annually estimates total national motor vehicle spending and the size and growth of the lease-rental segment of the car and truck market.

In addition to leasing and renting cars and trucks, the company retails and wholesales units from its fleets.

The latest Hertz used car figures combine data from a 1979 poll of used car buyers from all sources, (conducted by an independent firm), with Hertz internal data and with published industry figures.

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HERTZ USED CAR STUDY TABLE I

COMPARATIVE PURCHASE PRICES AND OPERATING COSTS OF NEW AND USED CARS
(Using 1979 Intermediate Car and 1979 Prices)
At 10,000 Miles Per Year of Travel

Age of Car When Purchased In Years	Purchase Price of Car	Pct. Saved	Cents Per Mile Ownership & Operating Costs Car Kept 3 Years	Pct. Saved	Until Junked	Pct. Saved**
NEW	$6,161	--	38.0¢	--	26.4¢	--
One	5,058	18%	34.7¢	9%	21.1¢	22%
Two	3,179	48%	27.0¢	30%	19.1¢	32%
Three	1,789	71%	21.3¢	44%	17.3¢	41%
Four	1,278	79%	19.6¢	49%	17.2¢	45%
Five	985	84%	18.9¢	50%	17.4¢	49%
Six	764	88%	18.6¢	50%	17.8¢	50%
Seven	616	90%	18.9¢	50%	--- Same	---
USED AVERAGES	$1,952	68%	22.7¢	40%	18.4¢	42%

* 10-Year, 100,000 mile car life span assumed; year-old is assumed to be driven 9 additional years; 2-year old car eight more years, etc.

** The percentage saved until junked reflects driving the used car the same number of years as the new car is driven, e.g. saving for a year-old car driven 9 years until junked is compared with cost of driving new car for 9 years. For two-year old car, saving calculated from eight years of driving. (The average is 31.88¢ a mile.)

Full figures indicate that, for used cars as well as new ones, per-mile costs decline with the number of years the car is kept through the tenth year of the car's life. It is un-economic to buy a used car and keep it only one year, assuming 10,000 mile-per-year-travel.

NOTE: Buyers should consider a car's mileage as well as its age in estimating future operating costs. For example, a three-year-old car with 60,000 miles on it can be expected to run only another four years at 10,000 miles a year, not seven.
*** Costs are estimated at 1979 levels assuming no inflation; inflation would reduce apparent depreciation, but not constant-dollar values.

Table II

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AVERAGE OWNERSHIP & OPERATING COSTS OF TYPICAL AUTOMOBILE
(assumptions in constant 1979 dollars)

Intermediate Sedan, Driven 10,000 Miles A Year - For Varying Numbers of Years

Age of Car When Purchased	New		3 Years		6 Years		1 Year	
Years Driven	3	10	3	7	3	4	3	9
Depreciation	15.61¢	6.04¢	3.91¢	2.38¢	1.73¢	1.60¢	13.37¢	5.48¢
Insurance, Lic. & Fees	7.90	6.80	5.30	2.93	4.89	3.96	7.24	3.23
Interest	4.60	2.53	1.33	.57	.57	.43	3.77	1.26
Sub-total Fixed Costs	28.10¢	15.37¢	10.54¢	5.88¢	6.79¢	5.89¢	24.38¢	9.97¢
Maintenance	2.48¢	3.44¢	3.25¢	3.84¢	4.01¢	4.30¢	2.88¢	3.61¢
Gasoline & Other Serv. Sta. Charges	7.40	7.55¢	7.53	7.59	7.63¢	7.64¢	7.46	7.56
Sub-total Varible Costs	9.88¢	10.99¢	10.57¢	11.44¢	11.64¢	11.94¢	10.34¢	11.17¢
TOTAL FIXED & VARIBLE COSTS	37.98¢	26.36¢	21.31¢	17.32¢	18.63¢	17.83¢	34.72¢	21.14¢

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TABLE III

HERTZ ESTIMATES OF NEW CAR RETAIL SALES IN THE UNITED STATES

Year		Second Hand Autos Retailed By . . .				TOTAL USED CARS RETAILED (C)
				Private Sales To--		
		Franchised New Car Dealers	Used Car Dealers Without New Car Franchise	Strangers (B)	Friends & Relatives	
1970	$ Per Unit (A)	$1,616	$1,456	$1,149	$1,036	$1,388
	Units (Thous.)	6,698	2,871	4,625	1,754	15,948
	Total $ (Bil.)	$10.83	4.18	5.32	1.82	$22.14
1971		1,644	1,622	1,280	1,153	1,625
		7,253	3,108	6,908	1,944	17,269
		11.93	5.04	8.85	2.24	28.06
1972		1,935	1,744	1,377	1,315	1,668
		7,421	3,180	5,124	1,944	17,699
		14.36	5.54	7.05	2.56	29.52
1973		2,187	1,971	1,557	1,401	1,879
		6,762	2,898	4,669	1,771	16,100
		14.79	5.71	7.27	2.48	30.25
1974		2,314	2,085	1,647	1,483	2,169
		6,585	2,822	6,271	1,325	15,679
		15.24	5.88	10.33	2.56	34.01
1975		2,613	2,354	1,858	1,673	2,251
		6,404	2,745	4,422	1,742	15,248
		16.73	6.46	8.22	2.91	34.33
1976		3,144	2,831	2,236	2,013	2,700
		6,650	2,850	4,592	1.742	15,833
		20.40	8.069	10.266	3.507	42.75
1977		3,512	3,163	2,498	2,248	3,016
		7,451	3,193	5,145	1,951	17,740
		26.17	10.10	12.85	4.39	53.50
1978		3,988	3,587	2,835	2,554	3,424
		7,538	3,231	5,205	1,974	17,949
		30.06	11.59	14.76	5.04	61.45
1979		4,196	3,781	2,984	2,687	3,602
		7,779	3,334	5,371	2,027	18,521
		32.64	12.61	16.03	5.45	66.71

A - Per Unit $ price is the gross, including value of cars traded, as is, therefore total revenue.
B - Includes direct sales by fleet operators and lease-rental companies such as Hertz.
C - Figures assume one transaction to from driver to driver. Example: if owner trades car to dealer and dealer then re-sells to private individual, this is one transaction, not two. Some estimates count this as two sales. In instances of a dealer wholesaling or auctioning a car, there may be as many as 3-4 title transfers, but these are considered a single sale.

TABLE IV

TOTAL NEW AND USED CARS SOLD IN 1979

(IN MILLIONS)

	Total Cars Sold	Cars Sold For Non-Personal Use (A)	Cars Sold For Personal Use
1. New Domestic Models	7.996	4.340	3.656
2. New Imported Cars	2.339	.364	1.975
Sub-total New Cars	10.335	4.704	5.631
Percentage	100%	45.5%	54.5%
3. Used Cars (Domestic and Import)	18.521	.741	17.780
Percentage	100%	4%	96%
TOTALS	28.856	5.445	23.411
Percentage	100%	18.9%	81.1%

ANNUAL AVERAGE CARS SOLD 1970-79

1. New Domestic Models	8.090	4.469	3.621
2. New Import Models	1.454	.119	1.335
Sub-total New Cars	9.544	4.588	4.956
3. Used Cars (Domestic and Imported)	16.799	.672	16.127
Percentage	100%	4%	96%
TOTALS	26.343	5.260	21.083
	100%	20%	80%

(A) The term "fleet" vehicle is defined by the auto industry as a unit sold to an organization which purchases 10 or more such units each year. Over the past decade, this percentage has averaged 15 - 16% of total domestic units sold, 3% of imports. But, in addition, there are a great many more units sold to smaller organizations, and to individuals, which are used primarily for business rather than for purely personal driving, such as pleasure travel and commuting alone. During the 1970's, these sales have averaged about 35% of new car sales.

TABLE V

AVERAGE PRICE AND MILEAGE OF USED CARS BY AGE OF CAR WHEN PURCHASED

	All Cars	Under 1 Year	1 Year Old	2 Years Old	3 Years Old	4 Years Old	5 Years Old	6 Years Old	7 Years & Older	Used Cars Purchased From: New Car Dealer	Used Car Dealer	Private Dealer
Average Price Paid for Used Car	$ 3,602	$ 6,296	$ 5,034	$ 4,079	$ 2,930	$ 2,341	$ 1,842	$ 1,535	$ 1,019	$ 4,196	$ 3,678	$ 2,871
Average Mileage at Time Bought	29,020	9,860	13,220	20,000	30,270	42,270	51,610	58,550	66,250	21,200	31,820	36,870
Percent of Used Cars Purchased		3%	26%	34%	8%	7%	4%	5%	13%	42%	18%	11% (friends and relatives) 29% (other)

1979 Hertz Poll

Originally issued 10/79

TABLE VI

HERTZ USED CAR STUDY SUMMARY COST AND MILEAGE DATA

ISSUED 10/1/1979	ALL USED CARS	AGE OF CAR WHEN PURCHASED		PRICE SEGMENT		MILES ON CAR BOUGHT		CAR FUNCTION		PURCHASE METHOD		WOULD BUY A USED CAR AGAIN?			
		Under 2 years	Over 5 years	Under $3000	Over $5000	Under 20M	Over 50M	Primary	Secondary	Finance	Cash	Yes	No	MEN	WOMEN
AV PRICE	$ 3,602	$ 5,174	$ 1,566	$ 1,519	$ 6,223	$ 4,916	$ 1,548	$ 4,095	$ 2,750	$ 4,079	$ 2,834	$ 3,647	$ 3,448	$ 3,626	$ 3,473
CAR AGE YRS (When Purch.)	2.86	0.9	6.61	5.61	1.0	1.13	6.35	2.08	4.21	1.96	4.28	2.80	3.10	2.94	2.47
Mileage Then	29,020	12,820	55,540	51,020	11,100	9,330	67,590	24,790	36,260	23,450	37,930	29,040	28,780	29,310	27,440
AV MPY U/C HAD BEEN DRVN	10,147	14,244	8,402	9,094	11,100	8,256	10,644	11,918	8,612	11,964	8,862	10,371	9,289	9,969	11,109
MPY EXPECTED NEXT YEAR	12,980	14,050	12,020	11,670	14,220	13,260	12,090	12,880	13,130	13,390	12,400	13,360	11,660	13,200	11,730
YRS PREV U/C KEPT	3.23	3.33	2.98	3.11	3.23	3.30	2.69	3.18	3.33	3.07	3.47	3.37	2.70	3.33	2.52
TOTAL MILES PREV U/C	36,810	38,350	34,720	36,460	37,660	38,090	31,050	36,310	37,620	36,430	37,620	37,570	33,750	38,120	26,290
MPY PREV U/C	11,396	11,516	11,651	11,723	11,659	11,542	11,543	11,418	11,297	11,866	10,841	11,489	12,500	11,447	10,432
YRS EXPECT TO KEEP THIS CAR	3.00	3.16	2.66	2.63	3.24	3.24	2.50	3.07	2.87	3.15	2.75	3.06	2.78	3.01	2.97
YRS PREV N/C WAS KEPT	3.99	4.05	3.75	3.63	3.70	4.02	3.56	4.06	3.59	3.65	4.07	4.09	3.51	4.11	3.44
MILES PREV N/C DRVN	48,490	48,570	48,750	46,230	46,540	49,940	47,520	48,380	48,180	46,540	50,910	49,650	44,260	50,380	38,460
AV MPY PREV N/C DRVN	12,153	11,992	13,000	12,736	12,578	12,423	13,348	11,916	13,421	12,750	11,389	12,139	12,610	12,258	11,180
AV AGE U/C BUYER	36.40	38.20	34.90	34.20	38.0	37.50	32.70	35.70	37.50	34.30	39.30	37.10	33.80	37.70	29.70
AV INCOME U/C BUYER	$19,939	$19,986	$20,511	$19,960	$21,197	$20,154	$19,589	$18,953	$21,162	$19,954	$19,816	$19,862	$20,295	$20,352	$17,739
MALE U/C BUYERS (%)	86%	85%	86%	84%	87%	84%	89%	82%	87%	83%	18%	84%	16%	100%	--
FEMALE U/C BUYERS (%)	14%	15%	14%	16%	13%	16%	11%	18%	13%	85%	15%	81%	19%	--	100%

TABLE VII

HERTZ USED CAR STUDY TABLE
VEHICLES TRADED AND SCRAPPED
(Of Average 8,090,000 U.S. Makes Registered Annually in 1970's)
AND ESTIMATED ANNUAL MILEAGE

Car Age Year	Pct. of New Cars Sold Which Are Traded, By Age In Years	Number New Cars Traded Annually	Cars Presumed Scrapped Each Year	Pct. Cars Presumed Scrapped Each Year	Cumulative Pct. Cars Presumed Scraped	Average Annual Mileage Of Cars Traded
1.	12%	990,216	4,567	0.06	0.06	17,180
2.	14	1,113,184	28,359	0.35	0.41	15,427
3.	17	1,365,592	173,947	2.15	2.56	13,710
4.	15	1,171,432	222,519	2.75	5.31	11,466
5.	13	1,022,576	297,851	3.68	8.99	11,015
6.	12	938,440	472,789	5.84	14.83	9,541
7.	9	744,2[illegible]	743,273	9.19	24.02	8,995
8.	7	550,120	824,223	10.19	34.21	8,230
9.	1	97,080	856,583	10.59	44.80	6,991
10.	1	97,080	880,853	10.89	55.69	5,020

Note: Scrappage was calculated by taking non-re-registration averages over the past 20 years for cars of varying ages, then subtracting projections of non-recovered stolen cars, derived from FBI data.

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